



MANAGEMENT DISCUSSION & ANALYSIS

PERFORMANCE GOALS

AND RESULTS

PERFORMANCE GOALS AND RESULTS

As discussed under the section detailing the Department's Strategic Planning Process, the Government Performance and Results Act (GPRA) requires agencies to develop and institutionalize processes to plan for and measure their mission performance. The Department has prepared its combined FY 2001 Annual Program Performance Report (APPR)/ FY 2003 Annual Performance Plan (APP) and will forward it to Congress this spring. Certain goals and performance measures that are considered to be critical to the Department were selected to be included in this Accountability Report. In addition, with the publication of the combined FY 2001 APPR/ FY 2003 APP, many bureaus made substantial changes to their performance goals and measures when compared to the Department's FY 2000 – FY 2005 Strategic Plan. Those changes have been incorporated in this report for consistency with the combined FY 2001 APPR/ FY 2003 APP.

The FY 2001 performance goals and results are categorized in this section under each of the Department's Strategic Goals that it supports. These categorizations are summarized in the table below.

Performance Scorecard Summary

BUREAU GOAL	PERFORMANCE MEASURES	TARGET MET		PERFORMANCE	
		YES	NO	PLAN	ACTUAL
Strategic Goal 1: Provide the Information and the Framework to Enable the Economy to Operate Efficiently and Equitably					
BXA: Enhance the efficiency of the export control system while protecting U.S. national security interests	Number of high risk transactions deterred (Discontinued after FY 2001)		X	512	225
	Average processing time for export licenses (days)		X	32	40.4
BXA: Detect illegal export transactions and penalize violators	Number of investigations accepted for criminal or administrative remedies	✓		70	81
BXA: Assist key nations to establish effective export control programs	Number of nonproliferation and export control international cooperative exchange activities conducted	✓		37	43
ESA/BEA: Develop relevant, accurate, and timely GDP and economic accounts statistics	Reliability of delivery of economic data: Percentage of scheduled releases issued on time	✓		100%	100%
Census: Conduct the Decennial Census FY 2000 – FY 2002	Disseminate Census 2000 products	✓		100% of scheduled releases	100% of scheduled releases
Census: Develop relevant, timely, and accurate national and community economic and household statistics for decision-making	Percentage reduction from time of data collection to data release for selected household surveys	✓		maintain FY 1999 actual time achieved	maintained FY 1999 actual time achieved

BUREAU GOAL	PERFORMANCE MEASURES	TARGET MET		PERFORMANCE	
		YES	NO	PLAN	ACTUAL
EDA: Promote private enterprise and job creation in economically distressed areas	Jobs created or retained in distressed communities as a result of EDA investments	✓ ¹		5,400 jobs by FY 2001	12,898 jobs
		TBD ¹	TBD ¹	14,400 jobs by FY 2004 36,000 jobs by FY 2007 72,000 jobs by FY 2010	TBD ¹
	Percentage of investments in areas of highest distress	✓		40%	43%
EDA: Build community capacity to achieve and sustain economic growth	Percentage of local technical assistance and economic adjustment strategy investments awarded in areas of highest distress	✓		30%	32%
ITA: Advance the United States' international commercial and strategic interests	Number of New-to-Market firms (NTMs) (Discontinued after FY 2002)		✗	54,779	53,387
ITA: Broaden and deepen U.S. exporter base	Number of U.S. firms exporting for the first time	✓		679	742
MBDA: Develop entrepreneurial innovative market focus economy	Dollar value of contracts awarded to assisted minority-owned businesses	✓		\$0.7Bil	\$1.7Bil
NTIA: Promote competition within the telecommunications sector and promote universal access to telecommunication services for all Americans	Number of filings, testimonies, and speeches (Discontinued after FY 2001)	✓		30	43
NTIA: Ensure allocation of radio spectrum—a scarce natural resource essential to all communications—provides the greatest benefit to all people	Number of new agency-requested spectrum assignments	✓		91,000	113,654
Strategic Goal 2: Provide Infrastructure for Innovation to Enhance American Competitiveness					
USPTO: Minimize trademark application processing time	Reduce average first action pendency to 2 months by FY 2004	✓		6.6 months	2.7 months
USPTO: Minimize patent application processing time	Reduce average total pendency to 26 months by FY 2006	✓		26.2 months	24.7 months
TA/NIST: Provide technical leadership for the nation's measurement and standards infrastructure and ensure availability of essential reference data and measurement capabilities	Technical publications produced	✓		2,200	2,207
TA/NIST: Accelerate technological innovation and development of the new technologies that will underpin future economic growth	Cumulative number of technologies under commercialization		✗ ¹	170 (FY 2000)	166 (FY 2000)
		TBD ²	TBD ²	180	TBD ²
	Cumulative number of patents filed		✗ ¹	770 (FY 2000)	693 (FY 2000)
		TBD ²	TBD ²	790	TBD ²
TA/NIST: Improve the technological capability, productivity, and competitiveness of small manufacturers	Increased sales attributed to Manufacturing Extension Partnership (MEP) assistance	✓ ²		\$670Mil (FY 2000)	\$705Mil (FY 2000)
		TBD ²	TBD ²	\$708Mil	TBD ²

BUREAU GOAL	PERFORMANCE MEASURES	TARGET MET		PERFORMANCE	
		YES	NO	PLAN	ACTUAL
NTIA: Promote the availability and support new sources of advanced telecommunications and information services	Number of models/grants available for nonprofit or public sector organizations		X	80	74
NTIS: Enhance public access to worldwide scientific and technical information through improved acquisition and dissemination activities	Number of items in archive (Discontinued after FY 2001)		X ²	2,966,200	2,952,777
	Number of new items available	N/A ¹	N/A ¹	N/A ¹	505,068
Strategic Goal 3: Observe and Manage the Earth's Environment to Promote Sustainable Growth					
NOAA: Build sustainable fisheries	By 2005, 25% fewer overfished fisheries	✓		1%	1%
	By 2005, 17% increase in economic contribution of aquaculture to gross domestic product (Discontinued after FY 2001)	N/A ²	N/A ²	4%	N/A ²
NOAA: Recover protected species	Number of endangered species with probability of extinction reduced from a baseline of 29	✓		3	3
NOAA: Sustain healthy coasts	Number of acres of coastal habitat restored (cumulative)(Discontinued after FY 2001)	✓		70,000	71,000
	Number of acres of coastal habitat benefited (cumulative)	N/A ¹	N/A ¹	N/A ¹	116,000
NOAA: Advance short-term warning and forecasts	Lead time and accuracy of severe weather warnings for tornadoes		X	13min/ 68%	10min/ 67%
	Lead time and accuracy of severe weather warnings for flash floods	✓		45min/ 86%	46min/ 86%
	Lead time (hours) of warnings for hurricane (Discontinued after FY 2001)	N/A ³	N/A ³	21hours	N/A ³
NOAA: Promote safe navigation	Percent reduction in the backlog (square nautical miles) of hydrographic surveys for critical areas (cumulative)	✓		27.8	31.2
NOAA: Implement seasonal to interannual climate forecasts	Number of new monitoring or forecast products that become operational per year	✓		4	4
	U.S. temperature – skill score	✓		20	20
N/A ¹	This is a new performance measure in FY 2002.				
N/A ²	There are no results available for this measure because a link between aquaculture program performance and changes in GDP cannot be established. This performance measure will be discontinued in FY 2002.				
N/A ³	No result as no hurricane made landfall during the 2001 season.				
TBD ¹	Results of FY 2001 grants will begin reporting in FY 2004.				
TBD ²	Actual result for FY 2001 will not be determined until spring 2002 due to surveying procedures and data collection and analysis requirements.				
✓ ¹	FY 1998 grants actual results of jobs for FY 2001 being reported for the first time – target met.				
✓ ²	FY 2000 actual result being reported for the first time – target met.				
X ¹	FY 2000 actual result being reported for the first time – target not met.				
X ²	Target not met by less than 1 percent.				

In accordance with the requirements of GPRA, we are committed to ensuring that reported performance information is accurate and based on reliable information. We are constantly seeking to improve our data collection and monitoring techniques. Current data validation and verification methods utilized by the Department also include: traditional reviews and audits by the OIG and GAO that may identify issues; internal program evaluations and management reviews conducted by the Department; and review of GPRA reports by Departmental management. Other information relating to data verification is included where appropriate with the performance measures.

The Department is aggressively implementing the President's Management Agenda for FY 2002. As the Department's Chief Operating Officer, the Deputy Secretary is carrying out management reform at the Department. He has met with senior management at the Department to explore ways of achieving the President's vision of a more citizen-centered, results-oriented, and market-based government. As part of this effort, the Department is thoroughly re-examining the performance measures it relies on to assess the progress in carrying out its mission. As a result, significant changes have been reflected in the FY 2001 APPR and FY 2003 APP.

STRATEGIC GOAL 1:

Provide the Information and the Framework to Enable the Economy to Operate Efficiently and Equitably

BXA PERFORMANCE GOAL: Enhance the Efficiency of the Export Control System while Protecting U.S. National Security Interests

(This performance goal was previously worded as: By Use of a Dual-Use Export Control System That Continuously Is Refined to Respond to Changing Requirements, Transactions That Are Contrary to U.S. Security Interests Are Deterred and Transactions without Proliferation Potential Are Facilitated.)

The Bureau of Export Administration (BXA) serves U.S. businesses engaged in international trade by processing export license applications for controlled commodities in accordance with Export Administration Regulations (EAR). BXA also serves U.S. businesses by making prompt decisions on license and related applications and by providing guidance to exporters on how to conform to applicable laws and regulations. BXA is particularly vigilant in evaluating transactions involving advanced technologies and dual-use products that potentially can be diverted to use in missile programs or in chemical, biological, nuclear, or conventional weapons programs.

Responding to increased concern about the proliferation of weapons of mass destruction, BXA continues to refine U.S. export controls in light of geopolitical and business realities. BXA also seeks to enhance the effectiveness of the EAR by educating stakeholders in the export licensing process (i.e., exporting companies), and thereby improving industry compliance with export control regulations. These efforts will increase the efficiency of the license processing system and thus enable exporters to be more competitive in the global economy while deterring transactions that threaten U.S. security interests.

Performance Measure: Number of High Risk Transactions Deterred

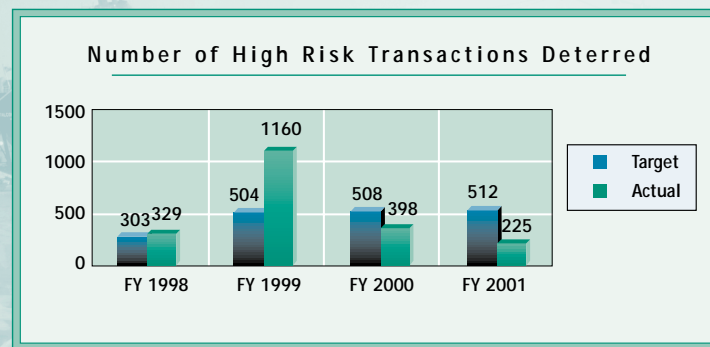
The number of highrisk transactions that BXA reviewed and subsequently denied is based upon a careful risk assessment. U.S. security is enhanced through the judicious implementation of controls on transfers of materials, equipment, technology, and software that could be used for weapons applications.

Data Validation and Verification

FY 2001 Target 512

FY 2001 Actual 225

FY 2002 Target N/A*



Analysis

Target was not met by 56 percent. The target of 512 cases was not met due to unforeseeable shifts in U.S. policy. The 512 target was based on U.S. sanctions on India and Pakistan. However, the partial lifting of these sanctions in FY 2000 and FY 2001 resulted in the return of rejections to the previous lower range. Additionally, this target was set based on the percentage of licenses reviewed, which decreased during this period.

Source/Verification

Export Control Automated Support System (ECASS). BXA's Office of Planning, Evaluation, and Management validates the performance-measuring data against supporting documentation. Two types of checks are made: the first to ensure that data are entered where they should be (system integrity), and the second to ensure that the data are accurate and valid.

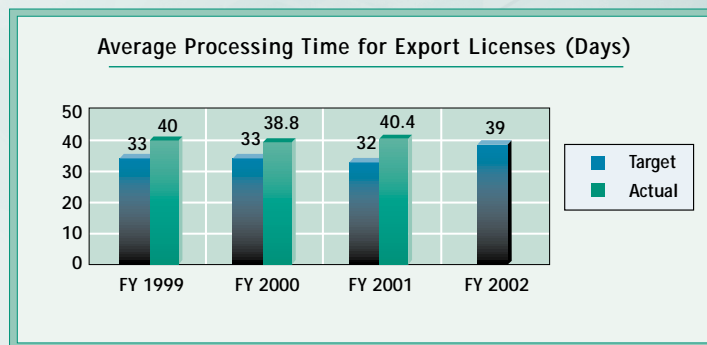
* This performance measure will be discontinued for FY 2002, to be replaced with the following measure that will accurately monitor BXA's program performance:

Performance Measure: Average Processing Time for Export Licenses (Days)

This measure reflects the average number of processing days that elapse between registration (date license application is entered in ECASS) and final action (date license is approved, denied, or returned without action) for all applications processed during the fiscal year. The less time it takes to process a license application, the sooner an exporter can ship the product. Faster processing of export license applications enables U.S. exporters to be more competitive. U.S. exporters lose sales if a foreign competitor can ship a product faster.

Data Validation and Verification

FY 2001 Target 32
 FY 2001 Actual 40.4
 FY 2002 Target 39



Analysis

Target not met by 26 percent. License processing times are influenced by many factors, including increases in processing times of referral agencies and loss of experienced export control licensing officers. In FY 2001, the majority of license applications BXA received were referred out to other agencies for review, which makes meeting a 32-day processing deadline difficult.

Source/Verification

ECASS. BXA's Office of Planning, Evaluation, and Management validates the performance-measuring data against supporting documentation. Two types of checks are made: the first to ensure that data are entered where they should be (system integrity), and the second to ensure that the data are accurate and valid.

BXA PERFORMANCE GOAL: Detect Illegal Export Transactions and Penalize Violators

(This performance goal was previously worded as: Violations of Dual-Use Export Control Laws Are Identified and Violators Are Sanctioned.)

To be effective, export controls must be enforced and violators punished. BXA enforces dual-use export controls for reasons of national security, nonproliferation, counterterrorism, foreign policy, and short supply. BXA also enforces the antiboycott provisions of the EAR, the Chemical Weapons Convention Implementation Act of 1998, and the Fastener Quality Act (FOA).

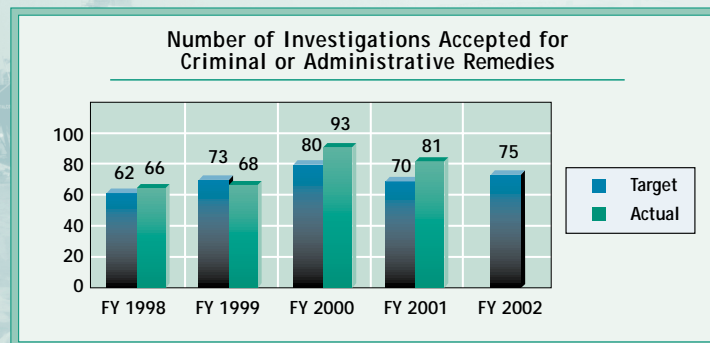
BXA conducts outreach and education programs to train U.S. exporters to identify and avoid illegal transactions. We also investigate suspected violations of the EAR. A key element of BXA's preventive enforcement program is the on-site visits made to both current and potential foreign end-users of sensitive technology. In addition, BXA works with its foreign counterpart agencies to encourage other governments to implement enforcement measures to complement our own efforts.

Performance Measure: Number of Investigations Accepted for Criminal or Administrative Remedies

This measure tracks the number of investigations that are accepted by the Department of Commerce Chief Counsel for Export Administration for administrative remedy and by the Department of Justice for criminal prosecution. Acceptance denotes that a specific threshold of evidence has been met to proceed with prosecution. BXA will continue to devote its current level of enforcement resources to investigations that have the highest probability of leading to prosecution of export violators.

Data Validation and Verification

FY 2001 Target 70
FY 2001 Actual 81
FY 2002 Target 75



Analysis

Target was exceeded by 16 percent. The higher number of cases reflects the growing level of experience of newer special agents and a concerted effort on the part of Export Enforcement senior management to concentrate on developing investigations that lead to criminal and/or administrative remedies.

Source/Verification

Export Control Automated Support System (ECASS). BXA's Office of Planning, Evaluation, and Management validates the performance-measuring data against supporting documentation. Two types of checks are made: the first to ensure that data are entered where they should be (system integrity), and the second to ensure that the data are accurate and valid.

BXA PERFORMANCE GOAL: Assist Key Nations to Establish Effective Export Control Programs

(This performance goal was previously worded as: Export Controls of Key Nations Are Strong and Effective.)

Strong enforcement of U.S. export regulations is critical to protect our security interests. However, U.S. national interests can also be jeopardized if sensitive materials and technologies from other nations reach countries of concern or terrorists. For this reason, BXA's strategy includes promoting the establishment of effective export control systems by other nations. BXA has been assisting the countries of the former Soviet Union and the former Warsaw Pact nations of Central Europe to strengthen their export control and enforcement, and also is extending technical assistance to other countries considered export or transit proliferation risks.

Through a series of bilateral and regional cooperative activities, BXA helps the nations with which it works to: (1) develop procedures and requirements necessary to regulate the transfer of sensitive goods and technologies, (2) enforce compliance with these procedures and requirements, and (3) promote the necessary partnership between industry and government for an effective export control system that meets international standards.

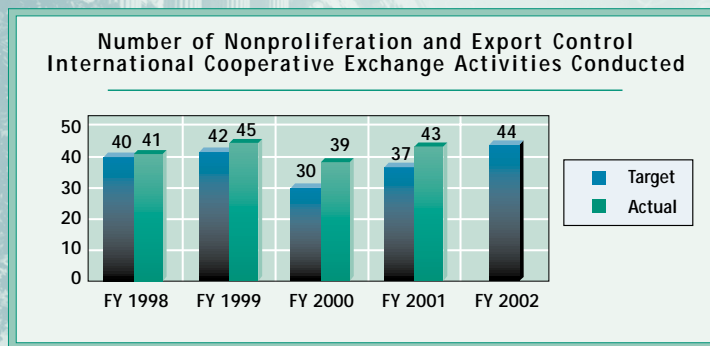
Performance Measure: Number of Nonproliferation and Export Control International Cooperative Exchange Activities Conducted

(This performance measure was previously worded as: Number of Nonproliferation and Export Control International Cooperative Exchanges.)

This measure includes technical exchanges, executive exchanges, symposia, workshops, training courses, system capability assessment visits, and other multilateral and bilateral activities in which BXA has the lead or a significant role. These exchange activities are the primary means by which BXA implements its nonproliferation and export control cooperative technical assistance programs with foreign governments.

Data Validation and Verification

FY 2001 Target 37
 FY 2001 Actual 43
 FY 2002 Target 44



Analysis

Target was exceeded by 16 percent. The increase in activities is due primarily to the fact that Russia was willing to schedule and conduct more Internal Control Program (ICP) workshops than anticipated.

Because the ICP deployment workshops present a standardized program to different audiences, we were able to take advantage of the positive response to the ICP workshops in Russia. This was accomplished by leveraging our staff resources with additional contractor support in order to increase the number of ICP deployment workshops while maintaining the other technical exchange activities at the targeted level.

Source/Verification

Paper records. BXA's Office of Planning, Evaluation, and Management validates the performance-measuring data against supporting documentation.

BEA PERFORMANCE GOAL: Develop Relevant, Accurate, and Timely GDP and Economic Accounts Statistics

(This performance goal was previously worded as: Develop Relevant, Timely, and Accurate National and Community Economic and Household Statistics for Decision-Making.)

Statistical measures of our nation's economic activity are critical to the ability of businesses, individuals, and government to make sound economic decisions. The success of the Bureau of Economic Analysis (BEA) is measured largely by public trust in the quality of its data. To meet the needs of its users, BEA not only must provide relevant and accurate data, but also must disseminate that data quickly and reliably.

**Performance Measure: Reliability of Delivery of Economic Data:
Percentage of Scheduled Releases Issued on Time**

(This performance measure was previously worded as: On-Time Delivery: Percentage of Scheduled Releases Issued on Time.)

It is vital that meaningful economic data be made available promptly and reliably to the businesspeople, policymakers, and ordinary citizens who depend on that information for their economic decision-making. BEA strives not only to release its estimates as quickly as possible, but also to consistently meet its published schedule of future release dates.

**Data Validation and
Verification**

FY 2001 Target 100 percent
FY 2001 Actual 100 percent
FY 2002 Target 50*

Percentage of Scheduled Releases Issued on Time

FY	Target	Actual
1999	100%	100%
2000	100%	100%
2001	100%	100%
2002	50 *	TBD

* **Note:** In FY 2002, this measure will be recharacterized as number of scheduled releases issued on time, not the percentage.

Analysis

Target was met. BEA has issued all of its economic data releases on time since this performance measure was instituted.

Source/Verification

The annual schedule of BEA release dates is published in the Survey of Current Business and posted on the BEA Internet site, and BEA maintains records of actual release dates. Scheduled and actual release dates are a matter of public record and can be verified via the Internet.

CENSUS PERFORMANCE GOAL: Conduct the Decennial Census FY 2000—FY 2002

The Census Bureau has successfully completed collecting the Census 2000 data. However, this vital population and housing data does not reach its greatest value until it is widely available for use by policymakers, communities, and citizens. Formal evaluations and assessments of a decennial census, its methods, systems, procedures, and operations are a necessary final step for Census 2000. The Census 2000 Evaluation Program will measure the effectiveness of the Census 2000 design, operations, systems, and processes, and will provide information about new survey procedures applied in a census environment.

Performance Measure: Disseminate Census 2000 Products

During FY 2003, the Census Bureau will complete the release of all Census 2000 products. Providing releases of Census 2000 products on schedule is critical to the institutions and individuals responsible for managing or evaluating federal programs. federal dollars supporting schools, employment services, housing assistance, highway construction, hospital services, programs for the elderly, and more are distributed based on Census data. We expect that approximately \$200 billion will be distributed annually based on formulas using Census 2000 data.

Data Validation and Verification

FY 2001 Target 100 percent

FY 2001 Actual 100 percent

FY 2002 Target 100 percent

Analysis

Target was met. We completed release and dissemination of all scheduled data products, including P.L. 94-171 Redistricting Data, and Summary File-1 data products for the U.S. and Puerto Rico.

Source/Verification Data dissemination is scheduled and these set the baseline for release dates.

Performance is assessed by comparing actual release dates to scheduled release dates.

CENSUS PERFORMANCE GOAL: Develop Relevant, Timely, and Accurate National and Community Economic and Household Statistics for Decision-Making

The Census Bureau's demographic programs are responsible for developing plans and programs to collect, process, and disseminate information from surveys and censuses on the population and its characteristics, including race, poverty, income, and health insurance coverage. The demographic programs conduct much of the foundational analysis and research underlying the OMB's decisions on national statistical standards on topics such as occupational classifications, metropolitan areas, and race and ethnicity. The programs also plan and conduct surveys and special censuses, funded by other federal agencies, which focus on topics of national importance, such as unemployment, crime, health, education, and consumer expenditures.

Performance Measure: Percentage Reduction from Time of Data Collection to Data Release for Selected Household Surveys

Many long-standing household surveys, such as the monthly Current Population and Housing Vacancy Surveys, have reached optimal release times. This measure addresses newer surveys and survey supplements, such as the Survey of Income and Program Participation and the Survey of Program Dynamics.

Data Validation and Verification

FY 2001 Target Maintain FY 1999 Actual Time Achieved

FY 2001 Actual Maintained FY 1999 Actual Time Achieved

FY 2002 Target Maintain FY 1999 Actual Time Achieved

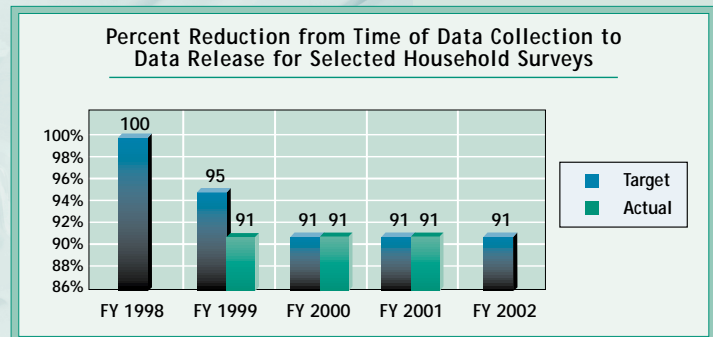
Analysis

Target was met. We were able to maintain the reduction of 9 percent that was established in FY 1999.

Source/Verification

Data collection dates are published in advance and these set the baseline for release dates.

Performance is assessed by comparing the time to release with past release times.



EDA PERFORMANCE GOAL: Promote Private Enterprise and Job Creation in Economically Distressed Areas

The Economic Development Administration (EDA) fosters a favorable environment for the private sector to risk capital investment to produce goods and services and increase productivity, thereby providing the high-skill, high-wage jobs that offer opportunity for all Americans. Whatever activities EDA undertakes with public dollars must demonstrate a return on investment through quantifiable performance measures.

Two EDA programs are particularly important for meeting this performance goal: public works and economic adjustment. EDA investments in public works and development facilities serve as catalysts for other public and private investments for the establishment or expansion of commercial and industrial facilities in distressed communities. EDA also provides economic adjustment investments for infrastructure improvements and revolving loan funds to help communities and businesses respond to severe economic dislocations caused by major layoffs, plant shutdowns, trade impacts, natural disasters, and the closure of military bases, energy labs, and similar actions that adversely affect local economies.

Performance Measure: Jobs Created or Retained in Distressed Communities as a Result of EDA Investments

(This performance goal was previously worded as: Number of Permanent Jobs Created or Retained in Distressed Communities as a Result of EDA Grants.)

Successful economic development projects in distressed communities attract private sector capital investment and create value-added jobs that are beneficial for local communities and government at all levels. By investing in successful undertakings, promoting job creation, and expanding the economy, the demand for government expenditures for social services decreases while tax revenues increase. EDA's investment guidelines set standards to achieve its performance goals of promoting private investment and job creation in distressed communities. Potential investments must be market-based; proactive; maximize private capital investment; create high-skill, high-wage jobs; and offer a positive return on the taxpayer's investment.

Recent program evaluations (Rutgers University, et al., 1997) document long-term outcomes for EDA public works projects, defense adjustment construction, and revolving loan fund grants. These evaluations show that program results (i.e., permanent jobs created or retained) can be quantified at project completion, typically three years following the grant award, and that these results increase substantially over the next six years (typically nine years after grant award). Based on these findings, EDA sets performance targets and obtains data at project completion and at three-year intervals thereafter, to a maximum of nine years following the grant award. EDA reports actual results as data become available for each reporting interval.

Data Validation and Verification

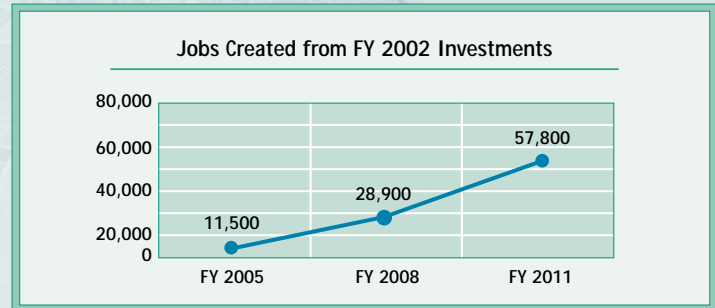
FY 2001 Target 5,400 jobs by FY 2001 for public works projects approved in FY 1998 (first interval target). Future targets for FY 1998 grants are 27,000 jobs by FY 2004 and 54,000 jobs by FY 2007.

FY 2001 Actual 12,898 jobs reported for public works projects approved in FY 1998 that reached completion on or before September 30, 2001 (first reporting interval).

FY 2002 Target FY 2002 grantees will begin reporting in FY 2005. Estimated projections begin in FY 2005 with 11,500 jobs, followed in FY 2008 with 28,900 jobs. Full realization of FY 2002 EDA investments is expected to produce 57,800 jobs by FY 2011.

Analysis First interval target met for FY 1998 grants are being reported for the first time. A review of the actual results for this performance measure over the last two years shows that 20 percent of the projected jobs were realized within the first three years. Accordingly, EDA increased the three-year target to 20 percent. EDA continues to analyze actual job creation results to collect smooth trend data prior to modifying the target further. Actual results reported here reflect a 25 percent discount to provide a margin of attrition, pending final review and analysis of performance data reported by EDA grantees. Further adjustments to targets will be analyzed upon receipt of future job creation and retention results.

Source/Verification EDA policy and procedures to obtain and verify data on long-term program outcomes are consistent with the methods developed by Rutgers University, et al., for conducting the Public Works Program: Performance Evaluation (May, 1997) and the Defense Adjustment Program: Performance Evaluation (November, 1997). These evaluations provide the baseline used to develop EDA performance targets for the creation and retention of permanent jobs. In order to provide more complete information on long-term outcomes, EDA sponsored two pilot reviews (Rutgers University, et al., 1999) to refine reporting methods and obtain data on a second set of projects. The GPRA Pilot I and II reports include in-depth examination of construction and revolving loan fund projects.

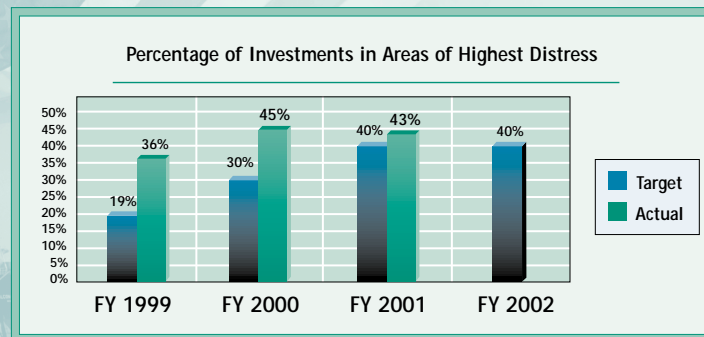


Performance Measure: Percentage of Investments in Areas of Highest Distress

EDA actively encourages proposals from distressed communities, and directs program and staff resources to assist these communities in developing viable proposals and plans for successful development projects. Areas of highest distress are defined in part as those areas where the 24-month unemployment rate is at least 180 percent of the national average or where per capita income is not more than 60 percent of the national average. Disaster areas and Indian tribal areas are also characterized as being of highest distress. The public works, economic adjustment infrastructure, and revolving loan funds investments made in communities of highest distress reflects EDA's success in achieving its goals for private sector investment and job creation.

Data Validation and Verification

<i>FY 2001 Target</i>	<i>40 percent</i>
<i>FY 2001 Actual</i>	<i>43 percent</i>
<i>FY 2002 Target</i>	<i>40 percent</i>



Analysis

Target was exceeded by 8 percent. The measure of "EDA investments in areas of highest distress" has surpassed its performance target for three consecutive years following implementation of the Economic Development Reform Act. The FY 2002 target remains the same for several reasons. First, the impact of the current economic contraction is unknown. Second, EDA is in the process of determining an optimum investment portfolio mix, which is critical to the overall impact of EDA's limited resources. While EDA's assistance is available to many communities across the nation, targeting more than 40 percent to a specific category of applicants significantly reduces the ability of other deserving grantees to compete for assistance.

Source/Verification

EDA uses statistics from the Bureau of Economic Analysis (BEA) for per capita income (PCI), and the Bureau of Labor Statistics (BLS) for 24-month unemployment data in determining the distress conditions nationwide. BEA provides annual updates of PCI at the county and state levels. BLS provides quarterly updates on unemployment statistics at the county, city, and Metropolitan Statistical Area (MSA) levels. A community may qualify for EDA assistance using other distress data from sources such as the Bureau of Indian Affairs, state, or specific census tracts, all of which is verified by EDA prior to investment.

EDA PERFORMANCE GOAL: Build Community Capacity to Achieve and Sustain Economic Growth

Economic development is a local process. However the Federal Government plays an important role by helping distressed communities develop the means to identify and overcome barriers that inhibit economic growth. EDA's approach is to support local planning and long-term partnerships with state and regional organizations that can assist distressed communities with strategic planning and investment activities. This process helps local communities set priorities, determine the viability of projects, and leverage outside resources to improve the local economy and sustain long-term economic growth.

EDA is proud of its active partnership with our economic development partners at the state, regional, and local levels. The partnership approach to economic development is key to effectively and efficiently addressing the economic development challenges facing our nation's communities. EDA continues to build upon its partnerships with local development officials, Economic Development Districts, university centers, faith-based and community-based organizations, and other local, state, and federal agencies. But more important, EDA will forge new and strategic working partnerships with private capital markets, and look for new and innovative ways to spur economic development.

EDA planning funds support the preparation of Comprehensive Economic Development Strategies (CEDS), which guide EDA investments for public works and economic adjustment implementation investments, including revolving loan funds. Sound local planning also attracts other federal, state, and local funds, as well as private sector investment, to implement long-term development strategies. Evaluations of EDA's public works and defense adjustment programs show that EDA planning and technical assistance programs play a significant role in the successful completion and outcomes of its infrastructure and revolving loan fund projects.



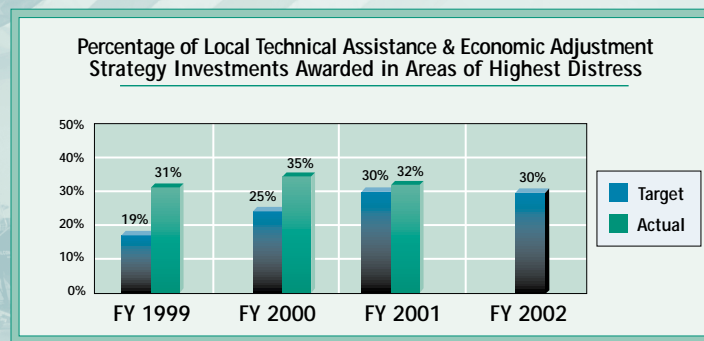
EDA invested in the construction of the high-tech Superconductivity Technology Center in the Los Alamos Research Park in New Mexico.

Performance Measure: Percentage of Local Technical Assistance and Economic Adjustment Strategy Investments Awarded in Areas of Highest Distress

Local technical assistance grants offer specialized technical or professional services to local officials and community groups, including assistance to evaluate investment opportunities. Economic adjustment strategy grants help local communities adjust to sudden and severe economic dislocations and long-term declines in key industry sectors that severely impact local economies. Areas of highest distress include those areas where the 24-month unemployment rate is at least 180 percent of the national average or per capita income is not more than 60 percent of the national average, as well as disaster areas and Indian tribal areas. EDA is committed to serving those communities most in need.

Data Validation and Verification

<i>FY 2001 Target</i>	<i>30 percent</i>
<i>FY 2001 Actual</i>	<i>32 percent</i>
<i>FY 2002 Target</i>	<i>30 percent</i>



Analysis

Target was exceeded by 7 percent. FY 2001 results indicate that our regional offices identify areas of highest distress and respond to sudden and severe economic dislocations. The FY 2002 target remains the same for several reasons. First, the impact of the current economic contraction is unknown. Second, EDA is in the process of determining an optimum investment portfolio mix, which is critical to the overall impact of EDA's limited resources. While EDA's assistance is available to many communities across the nation, targeting more than 30 percent to a specific category of applicants significantly reduces the ability of other deserving grantees to compete for assistance.

Source/Verification

EDA uses statistics from the Bureau of Economic Analysis (BEA) for per capita income (PCI), and the Bureau of Labor Statistics (BLS) for 24-month unemployment data in determining the distress conditions nationwide. BEA provides annual updates of PCI on the county and state levels. BLS provides quarterly updates on unemployment statistics at the county, city, and Metropolitan Statistical Area (MSA) levels. A community may qualify for EDA assistance using other distress data from sources such as the Bureau of Indian Affairs, state, or specific census tracts, all of which is verified by EDA prior to investment.

ITA PERFORMANCE GOAL: Advance the United States' International Commercial and Strategic Interests

(This performance goal was previously worded as: Increase U.S. Exports by Implementing the National Export Strategy through Government-Wide Coordination of Trade Promotion and Trade Finance Programs.)

The International Trade Administration (ITA) works with the Trade Promotion Coordination Committee (TPCC) to strengthen, streamline, and leverage its existing programs. It is critical to note that ITA, through the Under Secretary's leadership of the TPCC, has accomplished all three initiatives highlighted in the FY 2000 Accountability Report:

- ① Development of a TPCC-wide Trade Portal responsive to exporter needs;
- ② Development of a commercial strategy for China; and
- ③ Creation of tools and products to enhance service sector support.

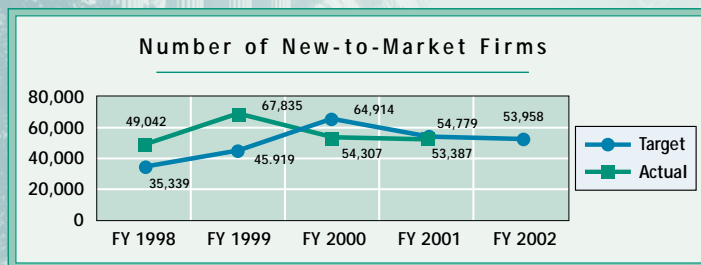
ITA has worked closely with all federal trade promotion agencies and has developed a government-wide trade portal, to respond to the needs of exporters. ITA will lead the TPCC effort to measure client satisfaction with that trade portal in the upcoming year. The recent approval of permanent normalized trade relations with China and China's accession to the World Trade Organization (WTO) accelerated the development of a comprehensive strategy for commercialization efforts in China.

Performance Measure: Number of New-to-Market Firms

ITA seeks to increase export opportunity awareness among U.S. companies by identifying potential exporters who need assistance, leveraging electronic and traditional media, centralizing relationships with customers, and developing alliances and partnerships to deliver export message. ITA focuses on small- and medium-size enterprises (SMEs) with 499 or less employees. ITA concentrates on supporting this client segment by tailoring existing products and services to their needs; providing technical assistance and match-making capability using e-commerce and the Internet; expanding established exporters into additional markets; and coordinating government-wide, collaborative advocacy efforts through the Trade Promotion Coordinating Committee (TPCC). This performance goal includes not only promotion of exports by SMEs, but also strengthening awareness among U.S. companies of export possibilities and facilitating export transactions.

Data Validation and Verification

FY 2001 Target 54,779
 FY 2001 Actual 53,387
 FY 2002 Target 53,958*



Analysis

Target was not met by approximately 2.5 percent. This is far less than the 16 percent difference between the target and actual from the previous year.

Source/Verification

ITA utilizes a Client Management System (CMS) and an events tracking system in the Office of Trade Event Management (OTEM) to collect and warehouse reported data. Client contacts and office activity are recorded and entered into CMS and OTEM upon occurrence. Each office compiles a quarterly Export Action Report, which details the number of new-to-market export actions, and other trade promotion activities. Each office manager reviews, verifies, and signs the reports. Project managers and the Office of Planning at ITA verify this data. It is subsequently input and maintained in PB Views, ITA's new performance management and reporting system, as an ITA-wide output measure for trend analysis.

* This measure will be revised in FY 2003 to improve the value of the data. The measure previously recorded the number of firms that were planning to enter a new market to which ITA provided export assistance services. The updated measure will report the number of new U.S. exporters that transact an actual, verifiable export sale. The new performance measure is tracked under a new performance goal as stated below:

ITA PERFORMANCE GOAL: Broaden and Deepen U.S. Exporter Base

ITA seeks to increase export opportunity awareness among U.S. companies by identifying potential exporters who need assistance, leveraging electronic and traditional media, centralizing relationships with customers, and developing alliances and partnerships to deliver export message. ITA focuses on small and medium-sized enterprises (SMEs), with 499 or less employees, by tailoring existing products and services to their needs; providing technical assistance and matchmaking capability using e-commerce and the Internet; expanding established exporters into additional markets; and coordinating government-wide, collaborative advocacy efforts through the Trade Promotion Coordinating Committee (TPCC). This performance goal includes not only promotion of exports by SMEs, but also strengthening awareness among U.S. companies of export possibilities and facilitating export transactions.

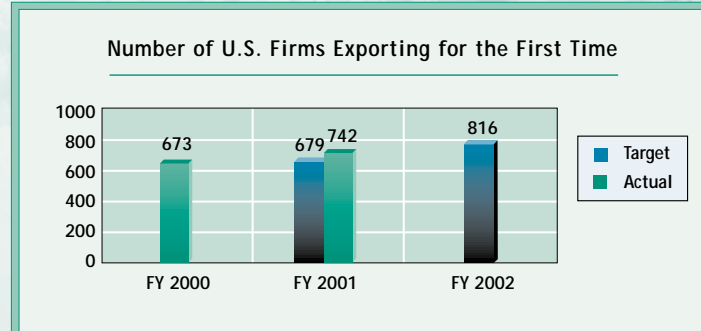
Performance Measure: Number of U.S. Firms Exporting for the First Time

The emergence and increasing role of international organizations and alliances, such as the North American Free Trade Agreement (NAFTA), the WTO, and trade blocs like the European Union, has required ITA to develop strategies to address new participants in the international trade environment and collaborate when necessary. ITA's long-term strategy takes into account the increasing role of policy imperatives, the relationship between export and domestic employment, and the U.S. trade imbalance, which has reached record levels in the past decade. ITA recognizes that a key area of opportunity lies with increasing the total number of firms participating in the global market.

The number of U.S. firms exporting for the first time provides an appropriate measure to evaluate our performance in pursuit of this strategy. ITA will record and report on a number of U.S. firms exporting for the first time that transact an actual, verifiable export sale. The definition of such a sale includes: shipment of goods or delivery of services; signing of a legally binding agreement, including agent/distributor, representation, joint venture, strategic alliance, licensing, and franchising; or the signing of a contract with sales specified in the terms.

Data Validation and Verification

FY 2001 Target 679
FY 2001 Actual 742
FY 2002 Target 816



Analysis

Target was met and exceeded by 9.3 percent. The original projected target was determined in the middle of FY 2001 and based on partially available data. The actual results were tabulated based on information tabulated from PB Views, ITA's new performance management and reporting system. Source data was obtained from the Client Management Systems and future targets were projected from historical data.

Source/Verification

Client Management System. Data are collected on a quarterly basis. ITA performs quality control, including error checking, elimination of duplicates and, through peer review, verifies documentation.

MBDA PERFORMANCE GOAL: Develop Entrepreneurial Innovative Market Focus Economy

(This performance measure was previously worded as: Improve Opportunities for Minority-Owned Business to Have Access to the Market Place.)

The Minority Business Development Agency (MBDA) actively promotes the growth and competitiveness of minority-owned businesses. Between 1992 and 1997 minority-owned businesses experienced substantial growth and the U.S. Census Bureau is projecting that 90 percent of the net U.S. population growth over the next 50 years will be in minority groups. MBDA is positioned to respond to growth projections in the minority business enterprise sector by empowering minority-owned businesses and enhancing wealth creation.

The achievement of entrepreneurial parity is based in part on the ability of minority entrepreneurs to secure contracts. The MBDA has created and implemented several programs to communicate and match contract opportunities to minority firms. The Minority Business Opportunity Committee program creates a team approach to the identification of major state and local contracting opportunities that require the skills and expertise of the minority business community. These committees are composed of private and public sector officials and are capable of generating millions of dollars in contracting opportunities. A major component of the MBDA's Minority Business Development Center program is to identify contract opportunities for minority enterprises and to provide the management and technical assistance necessary to secure a contract award. The Phoenix Opportunity Program is a free, online service that allows companies registered in MBDA's database of minority businesses to be matched quickly and automatically with contract opportunities and other information vital to the success of their business. MBDA also matches business profiles with private and government contract opportunities using North American Industry Classification System codes and keywords. When a match is made, businesses are notified immediately via e-mail or fax. Information about minority business support services that assist with bid preparation, financing, and bonding is also provided.

Performance Measure: Dollar Value of Contracts Awarded to Assisted Minority-Owned Businesses

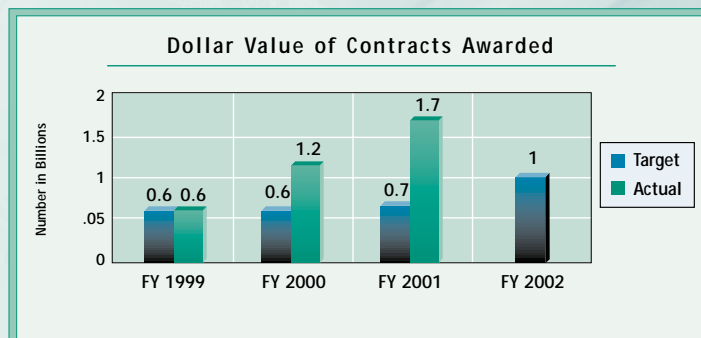
The dollar value of contracts awarded demonstrates the extent, in terms of dollars, that minority-owned businesses assisted by MBDA were successful in winning contract awards to provide goods and services domestically and abroad. The greater the dollar value of contracts awarded, the greater the ability of minority-owned businesses to contribute to total business receipts.

Data Validation and Verification

FY 2001 Target \$0.7 billion

FY 2001 Actual \$1.7 billion

FY 2002 Target \$1 billion



Analysis

Target was met and exceeded by 143 percent. Although FY 2001 actual dollars awarded far exceeded the target figures, there is no guarantee that this level of performance will be sustained in the following year and it is hard to predict the movement of the market; therefore the estimate for future targets appears to be lower.

Source/Verification

Direct Secure Extranet link from MBDA HQ to client service delivery sites, with 100 percent client verification survey.

NTIA PERFORMANCE GOAL: Promote Competition within the Telecommunications Sector and Promote Universal Access to Telecommunication Services for All Americans

The telecommunications and information sectors account for approximately 10 percent of U.S. gross domestic product (GDP). Driven in large part by growth of the Internet, this figure is predicted by some experts to approach 20 percent of GDP by 2004. However, the uneven penetration of Internet usage nationwide means the Department must seek ways to redress this imbalance, and the National Telecommunications and Information Administration (NTIA) is pursuing strategies to increase access to advanced communications technologies.

Performance Measure: Number of Filings, Testimonies, and Speeches

One of NTIA's primary missions is to serve as the President's principal advisor on telecommunications and information policy and to be the Administration's primary voice on these issues. This measure of studies, reports, filings, testimonies, and speeches is intended to approximate the effect NTIA has on these policy debates.

Data Validation and Verification

FY 2001 Target 30

FY 2001 Actual 43

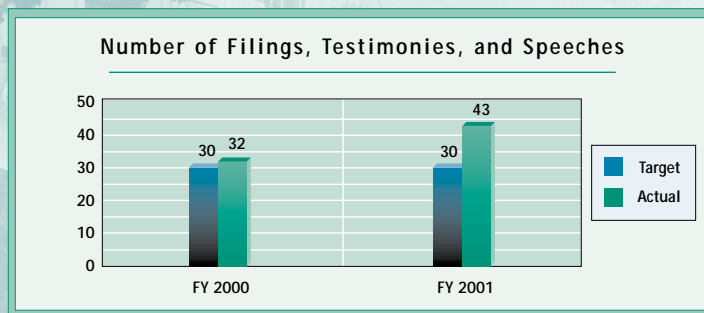
*FY 2002 Target N/A**

Analysis

Target was met and exceeded by 43 percent.

Source/Verification

All filings, testimonies, and speeches are posted on the NTIA internet site for public inspection.



* This performance measure will be discontinued in FY 2002 because it is not considered an outcome-oriented performance measure.

NTIA PERFORMANCE GOAL: Ensure Allocation of Radio Spectrum—a Scarce Natural Resource Essential to All Communications—Provides the Greatest Benefit to All People

NTIA measuring radio signals in the field.



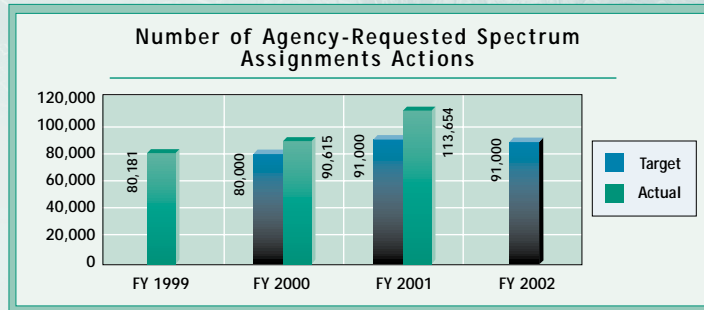
The availability of radio frequency spectrum, a finite resource, is key to the development and implementation of innovative telecommunications technologies. The NTIA manages the Federal Government's use of spectrum and is involved in designing a cooperative interagency process with regard to the development of third-generation wireless networks.

Performance Measure: Number of New Agency-Requested Spectrum Assignments Actions

NTIA's spectrum management activities are designed to establish and maintain a collaborative process with the federal agencies that depend upon the spectrum to fulfill their mission requirements.

Data Validation and Verification

FY 2001 Target 91,000
 FY 2001 Actual 113,654
 FY 2002 Target 91,000

**Analysis**

Target was met and exceeded by 25 percent.

Source/Verification

Government Master File (GMF), maintained by NTIA. The GMF has built-in checks; results are also subject to staff review.

Strategic Goal 2:**Provide Infrastructure for Innovation to Enhance American Competitiveness****USPTO PERFORMANCE GOAL: Minimize Trademark Application Processing Time**

(This performance measure was previously worded as: Enhance the Quality of Trademark Products and Services, Transition to E-government, and Minimize Trademark Processing Time.)

The Trademark Business continued its transformation to a totally e-government operation by expanding and improving upon the availability of trademark information accessed through the Internet. The Trademark Business exploited the concept of e-government for use as a tool to more effectively serve an increasingly larger, global client base, and to extend 24-hour-a-day access to trademark information for external customers, regardless of their location. Electronic filing and information systems serve customers in two important ways: (1) by reducing the time to provide access to current information, and (2) by improving the quality of the initial application and, therefore, the quality of the data that is captured and shared in the publication and registration of trademarks.

Performance Measure: Reduce Average First Action Pendency to 2 months by FY 2004

(This performance measure was previously worded as: Pendency Time to Examiner's First Action.)



Trademark of Rescue Heroes

The United States Patent and Trademark Office (USPTO) received 232,939 trademark applications in FY 2001, including 296,388 classes for registration, marking the second highest level of filings ever recorded. This milestone followed two consecutive years with increases of 27 percent per year in the number of applications filed. Filings in FY 2001 were 21 percent less than in FY 2000. For the first time in nine years, fewer applications were received in a fiscal year than in the previous year, reflecting the largest one-year decline but also the second highest level of filing ever. Reducing pendency while managing increases in filings that are likely to continue in the future is crucial if USPTO is to meet the needs of our customers and protect businesses through the examination and registration of trademarks. Increasing the number of applications filed electronically is central to USPTO's strategy for managing increases in applications in the future.

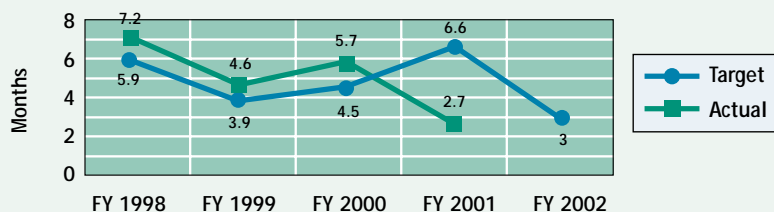
Data Validation and Verification

*FY 2001 Target
6.6 months*

*FY 2001 Actual
2.7 months*

*FY 2002 Target
3.0 months*

Reduce Average First Action Pendency to 2 Months by FY 2004



Analysis

Target was met and exceeded by 59 percent. Reduced application filings along with significant increases in examiner production and customer service performance incentives contributed to reducing first action pendency to its lowest level in 13 years. The time from filing to an examiner's first USPTO action decreased by the end of the fiscal year to 2.7 months from a high of 6.2 months nine months earlier. This is the first time since 1992 that first action pendency has been within the three-month goal.

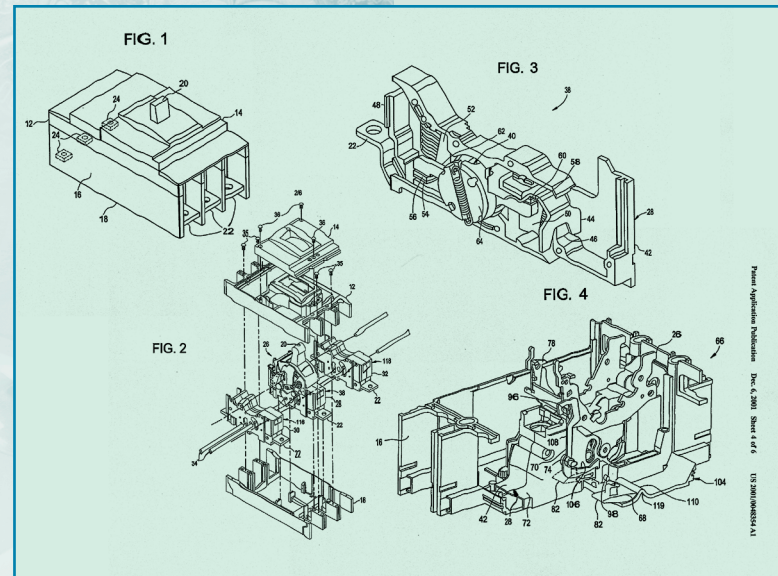
Source/Verification

Trademark Reporting and Monitoring (TRAM) System. Accuracy of supporting data is controlled through internal program edits in the TRAM system. Final test for reasonableness is performed internally by examining trademark attorneys and supervisory and program management.

USPTO PERFORMANCE GOAL: Minimize Patent Application Processing Time

(This performance goal was previously worded as: Enhance the Quality of Patent Products and Services, Transition to e-government, and Optimize Patent Processing Time.)

A decision on patentability must be rendered on a timely basis due to its influence on investment, development, marketing strategies, and ultimately on the financial viability of U.S. businesses. Therefore, it is incumbent upon the Patent Business to both maximize the term of patent protection for the inventor by reducing internal processing, and to minimize the extension of patent term resulting from processing delays.



Performance Measure: Reduce Average Total Pendency to 26 Months by FY 2006

(This performance measure was previously worded as: Average Pendency to Issue/Abandonment.)

During FY 2001, USPTO hired and trained 414 new patent examiners to help reduce processing time and address the growing workload. To provide timely information on progress, USPTO developed new management and balanced scorecard reports to track critical performance targets. Workloads were balanced and resources were shifted to address critical shortages in various Technology Centers. The USPTO formed a new Technology Center (TC) 2100 to help with rapid growth in the business method area, and transferred approximately 30 experienced examiners from outside the electrical areas into the new TC 2100 to help with the workload and training of newer examiners.

Pressure Sensitive Trip Mechanism for a Rotary Breaker

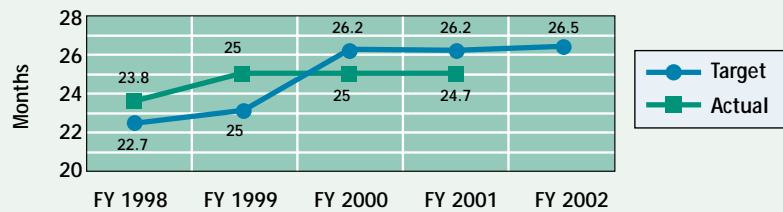
Data Validation and Verification

FY 2001 Target 26.2 months

FY 2001 Actual 24.7 months

FY 2002 Target 26.5 months

Reduce Average Total Pendency To 26 Months by FY 2006



Analysis

Target was met and exceeded by 6 percent. Since the Patent Business continues to experience record increases in filings, our inability to hire as many examiners as we need, due to budget constraints and competition in the current job market, means that average pendency is expected to rise in FY 2002.

Source/Verification

Patent Application Location and Monitoring (PALM) System. Accuracy of supporting data is controlled through internal program edits in the PALM system. Final test for reasonableness is performed internally by patent examiners and supervisory and program management.

TA/NIST PERFORMANCE GOAL: Provide Technical Leadership for the Nation's Measurement and Standards Infrastructure and Ensure the Availability of Essential Reference Data and Measurement Capabilities (NIST Laboratories)

NIST force measurements are critical for accurately determining the power of internal combustion engines, the thrust of jet engines and rockets, and the strength of material and structures.



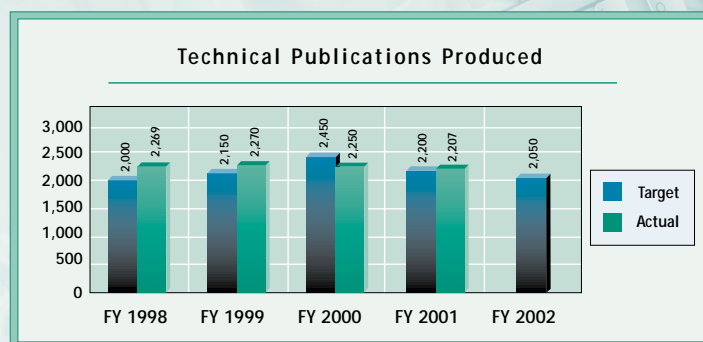
The National Institute of Standards and Technology (NIST) Laboratories develop and deliver measurement techniques, reference data, test methods, standards, and other infrastructural technologies and services that provide a foundation for industry in all stages of commerce: research, development, testing, production, and marketing. The NIST Laboratories also support U.S. firms in the global marketplace by working to eliminate trade barriers associated with different national standards, testing, and certification requirements. NIST evaluates its performance and plans its work through three evaluation mechanisms: peer review and other forms of external assessments, economic impact studies, and quantitative output tracking. These three evaluation methods, combined with continual feedback from customers, collectively provide NIST management and external stakeholders with a highly detailed and reliable set of performance data encompassing NIST's strategic goals.

Performance Measure: Technical Publications Produced

Technical publications are a major channel through which NIST diffuses the scientific and technical knowledge generated by its staff to the U.S. private sector and to other government agencies that need cutting-edge measurements and standards. Many of these publications appear in prestigious scientific journals and withstand peer review by the scientific community. Others appear in technological forums where measurement standards and technologies developed by NIST staff (at times in collaboration with private sector partners) are disseminated. The data below comprise the annual number of technical publications generated by the NIST Laboratories staff. Figures are direct counts of technical publications cleared for publication by the NIST Editorial Review Boards at the Gaithersburg, Maryland and Boulder, Colorado sites. Data are updated on an ongoing basis by the NIST Office of Information Services.

Data Validation and Verification

FY 2001 Target	2,200
FY 2001 Actual	2,207
FY 2002 Target	2,050



Analysis

FY 2001 actual performance slightly exceeded the target. Reasons for this could include: improvements in information technology tools that facilitate electronic and print publication; specific research findings that resulted in additional publishable work; and activities associated with the NIST Centennial Year Celebration (2001). Over time, NIST expects a relatively constant level of high quality publications (approx. 2,000-2,200/year) by its technical staff.

Source/Verification

NIST's Office of Information Services. Internal verification includes review by the NIST's Director's Office.

NOTE: Actual counts for FYs 1998 and 2000 have been adjusted slightly from the previously reported figures due to improved database systems and data verification procedures that have been implemented in recent months.

TA/NIST PERFORMANCE GOAL: Accelerate Technological Innovation and Development of the New Technologies That Will Underpin Future Economic Growth (Advanced Technology Program)

Market pressures often deter firms from investing in particular types of technology and research and development (R&D) projects. For instance, private industry does not account for a large percentage of the nation's basic R&D, because firms must be able to earn appropriate returns within a time frame and at a level satisfactory to investors. For the same reasons, industry tends to avoid investing or significantly under-invests in certain types of enabling technologies, including infrastructural technologies, which require distinct competencies and are broadly applied; multi-use technologies, which benefit multiple segments of an industry or group of industries; and high-potential breakthrough technologies, which typically involve risk levels and time frames that far exceed the horizons of individual firms. In each of these areas, the financial and market interests of individual firms tend to produce a suboptimal level of investment for the economy and society as a whole. To address this problem, the Advanced Technology Program (ATP) of NIST stimulates industry to invest in and develop high-risk, innovative technologies that promise broad benefits for the nation. ATP is a merit-based, competitive, cost-shared partnership program.

Performance Measure: Cumulative Number of Technologies under Commercialization

This metric tabulates the cumulative number of new technologies under commercialization that are traceable to all ATP funding through the close of a fiscal year. Commercialization is broadly defined as any group of activities undertaken to bring products, services, and processes into commercial applications. This measure indicates the extent to which ATP-funded research and development has leveraged new products and services, which in turn improve the prospects for technology-led economic growth.

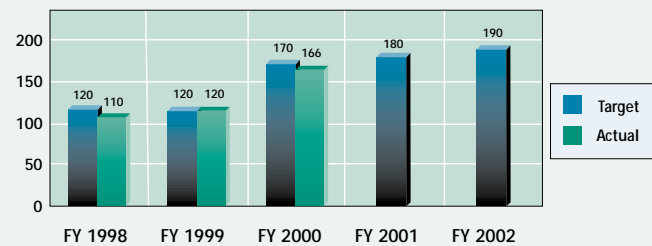
Data Validation and Verification

FY 2001 Target 180

FY 2001 Actual Actual FY 2001 data not available until May 2002, due to surveying procedures and data collection requirements.

FY 2002 Target 190

Number of Technologies Under Commercialization (cumulative)



Analysis

FY 2000 target of 170 was not met. The FY 2000 result of 166 is reported here for the first time. The cumulative number of technologies commercialized through the close of FY 2000 represents 98 percent of the expected level.

Source/Verification

Data are gathered from the portfolio of ATP project participants through company filings of patent information to the NIST Grants Office and an electronic survey instrument under ATP's Business Reporting System (BRS). All ATP reports using BRS data and patent reports filed through the NIST grants office are monitored closely and are subject to review and critique prior to being issued.

Performance Measure: Cumulative Number of Patents Filed

This metric represents a cumulative direct count of the number of patents filed by all ATP-funded research project participants through the close of a fiscal year.

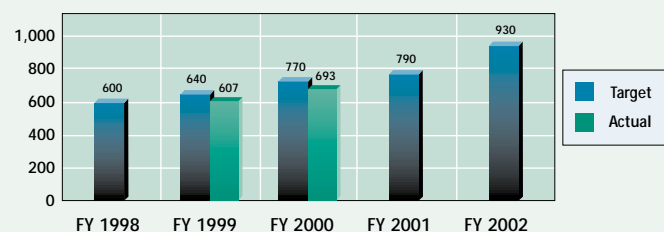
Data Validation and Verification

FY 2001 Target 790

FY 2001 Actual Actual FY 2001 data not available until May 2002, due to surveying procedures and data collection requirements.

FY 2002 Target 930

Number of Patents Filed (cumulative)



Analysis

FY 2000 target of 770 was not met. The FY 2000 result of 693 is reported here for the first time. The cumulative number of patents filed through the close of FY 2000 represents 90 percent of the expected level.

Source/Verification

Data are gathered from the portfolio of ATP project participants through company filings of patent information to the NIST Grants Office and an electronic survey instrument under ATP's Business Reporting System (BRS). The BRS and other telephone survey instruments provide a standardized reporting system that has been evaluated by external auditors. All ATP reports using BRS data and patent reports filed through the NIST grants office are monitored closely and are subject to review and critique prior to being issued. NOTE: FY 1999 actual has been adjusted very slightly from the previously reported figure (from 616 to 607, a 1.5 percent change) due to data verification improvements made in consultation with an audit team from the DOC Office of the Inspector General.

TA/NIST PERFORMANCE GOAL: Improve the Technological Capability, Productivity and Competitiveness of Small Manufacturers (Manufacturing Extension Partnership)

While U.S. manufacturing firms are among the most productive in the world, small manufacturing establishments consistently lag behind their larger counterparts, which are able to apply their greater financial, technical, and human resources to production modernization and continuous performance improvements. But the nation's 361,000 small manufacturers employ approximately 12 million people—about two-thirds of the manufacturing workforce—and produce intermediate parts and equipment that contribute more than half of the value of U.S. manufacturing production. Their role in the supply chain means that the nation's future manufacturing productivity will rest largely on the ability of these small firms to improve their quality, raise their efficiency, and lower their costs.

Performance Measure: Increased Sales Attributed to MEP Assistance

The comparatively low productivity growth of small U.S. manufacturing establishments can be attributed to numerous factors, including technical, cost, and information barriers. NIST helps small manufacturers overcome these barriers through the Manufacturing Extension Partnership (MEP). MEP, a federal-state-local partnership program consisting of a national network of centers and field offices, provides information, decision support, and implementation assistance to help businesses adopt new and more advanced manufacturing technologies, techniques, and business practices.

In FY 2000, MEP significantly improved the process by which it evaluates its clients' performance by updating its survey instrument and collection methods. Improvements to the survey design and implementation process have made it more likely that a larger number of surveyed clients will be able to provide high-quality, quantifiable responses to interview questions. For example, new categories of questions were added to improve data utility and the wording of the questions was revised to improve accuracy and efficiency. In addition, clients are asked to comment on the impact of MEP services on intermediate outcomes such as improvements in manufacturing, sales/marketing, human resources, information and management systems, and client satisfaction. The survey process is client-based rather than activity-based.

The client survey allows the MEP program to track the impact of MEP center services on key outcome indicators that can show the presence of business changes that are positively associated with productivity and revenue growth. One of these indicators is increased sales attributed to MEP assistance.

Data Validation and Verification

FY 2001 Target \$708 million

FY 2001 Actual FY 2001 data is not available yet due to surveying procedures and data collection requirements.

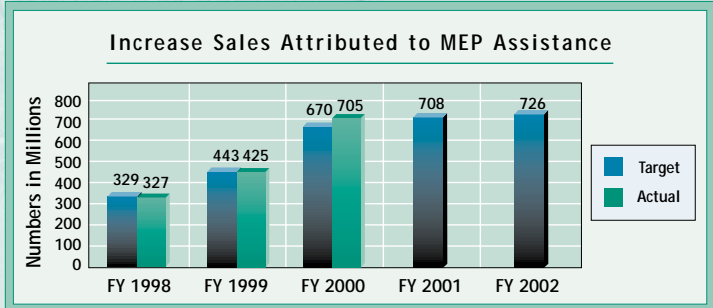
FY 2002 Target \$726 million

Analysis

FY 2000 target of \$670 million was met. The FY 2000 result of \$705 million is reported for the first time, and is based on survey responses from 4,890 clients.

Source/Verification

As mentioned above, the survey instrument and method used by MEP changed in January 2000. The survey is administered by a private firm, Market Facts Incorporated (MFI), headquartered in Arlington Heights, Illinois. The survey is conducted four times per year, with each MEP client contacted once per year. Clients are selected for the survey based on when the company completed its first project with an MEP center in the previous year; for example, a client that completed a project in February 2000 would have been surveyed in January or February 2001. Survey data is sent directly to MEP for analysis. Internal verification includes significant review of the MFI data by MEP staff. Criteria are in place for identifying and verifying significant outliers in the data. As with similar survey instruments, sources of uncertainty include variation in interpretation of specific questions; variation in the estimation techniques used in response to specific questions; variation in the quality of industry data; missing values; and other common survey problems. MFI uses standard survey techniques to clean the data, ensure accuracy and reliability, and improve the response rate. NOTE: FY 1999 actual has been adjusted slightly from the previously reported figure (from \$447 million to \$425 million, a 4.9 percent change) due to data verification improvements made in consultation with an audit team from the DOC Office of the Inspector General.



NTIA PERFORMANCE GOAL: Promote the Availability and Support New Sources of Advanced Telecommunications and Information Services

The National Telecommunications and Information Administration (NTIA) administers a substantial grant program designed to demonstrate the benefits and applications of the next-generation Internet. This program supports the Department's e-commerce initiative.

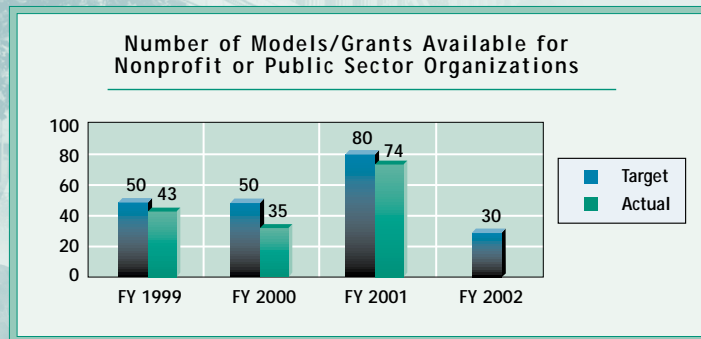
Performance Measure: Number of Models/Grants Available for Nonprofit or Public Sector Organizations

NTIA provides matching grants to nonprofit organizations for the development of leading technological or information systems. Grants are used to fund projects that improve the quality of, and the public's access to, education, health care, public safety, and other

community-based services. By serving as models that can be replicated in similar communities across the country, these projects extend their benefits far beyond the communities in which they take place, and provide economic and social benefits to the nation as a whole.

Data Validation and Verification

FY 2001 Target 80
 FY 2001 Actual 74
 FY 2002 Target 30



Analysis

Target was not met by 8 percent. In FY 2001 NTIA funded fewer projects than anticipated because the amount funded per project was larger than projected. The FY 2002 targets have been adjusted to reflect a lower budget request.

Source/Verification

NTIA's grant awards are made annually and information on all applicants and recipients is posted on the NTIA's Web site at <http://www.ntia.doc.gov>.

NTIS PERFORMANCE GOAL: Enhance Public Access to Worldwide Scientific and Technical Information through Improved Acquisition and Dissemination Activities

(This performance goal was previously worded as: Collect, Organize, Preserve, and Disseminate Government Scientific, Technical, and Business-Related Information.)

NTIS distributes more than 16,000 CD ROMs, magnetic tapes, and diskettes per year.



The National Technical Information Service (NTIS) operates a central clearinghouse of scientific and technical information that is useful to American business and industry. NTIS is directed to collect scientific and technical information; catalog, abstract, and index the information; permanently archive the information and disseminate products in the forms and formats most useful to its customers; develop electronic and other new methods and media to disseminate information; provide information processing services to other federal agencies; and charge fees for its products and services.

Performance Measure: Number of Items in Archive

NTIS collects its information material primarily from U.S. Government agencies and their contractors and grantees, but also from international sources. The NTIS collection includes approximately 3 million titles, comprising reports describing the results of federally sponsored research, statistical and business information, audiovisual products, computer software and electronic databases developed by federal agencies, and reports prepared by foreign research organizations. NTIS maintains a permanent repository of its information products and offers copies of this material to its many customers, as computer downloads or via paper, microfiche, audiovisual, or electronic media.

Data Validation and Verification

FY 2001 Target 2,966,200

FY 2001 Actual 2,952,777

*FY 2002 Target N/A**

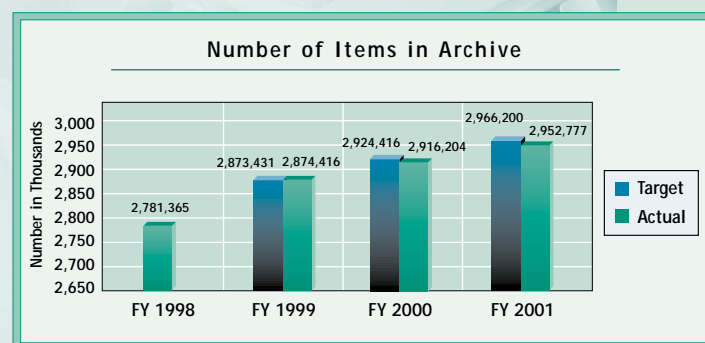
Analysis

Target was missed by less than 1 percent.

Source/Verification

NTIS records every transaction using a commercial order processing system and other internal systems modified to meet its specific needs. NTIS accounting and budget offices analyze and report performance output data.

*This performance measure will be discontinued in FY 2002, to be replaced with the following measure that will quantify the outcome-oriented performance:

**Performance Measure: Number of New Items Available**

The number of items available for sale to the public from NTIS includes scientific, technical, and engineering information products added to the permanent collection, as well as items made available through online electronic subscriptions.

Each publication added to the permanent collection is abstracted, catalogued, and indexed so that it can be identified and merged into the permanent bibliographic database for future generations of researchers and the public who may benefit from this valuable research and innovations. Other information products are available as full text documents in electronic format through numerous NTIS online information services. This material is acquired primarily from U.S. Government agencies and their contractors and grantees, as well as international sources. The number of new information products available from NTIS is approximately 500,000 items each year, but is largely dependent on input from other government agencies.

Data Validation and Verification*FY 2001 Target N/A**FY 2001 Actual 505,068**FY 2002 Target 520,000**Analysis**FY 2002 target was set based on historical data.**Source/Verification**NTIS records every transaction using a commercial order processing system modified to meet its specific needs. NTIS accounting and budget offices analyze and report performance output data.***Strategic Goal 3:****Observe and Manage the Earth's Environment to Promote Sustainable Growth****NOAA PERFORMANCE GOAL: Build Sustainable Fisheries**

Billions of dollars in economic growth, thousands of jobs, and countless recreational fishing opportunities are wasted as a result of overfishing and overcapitalization in commercial and recreational fisheries. While many fisheries are well managed and produce positive benefits, others are severely depleted or overcapitalized, and must be restored and managed to realize their long-term potential. Rebuilding and reducing overcapitalization in existing fisheries will promote the economic and biological sustainability of U.S. fishing resources. Building sustainable fisheries will greatly increase the nation's wealth and quality of life.

Performance Measure: By 2005, 25 Percent Fewer Overfished Fisheries*A basket load of fish on board.*

As reported in the 1997 National Oceanic and Atmospheric Administration (NOAA) Fisheries Report to Congress, 86 of the 279 fisheries for which we have information are classified as overfished. This measure assesses our performance in reducing the number of fisheries that are classified as overfished. Our goal is to reduce by 25 percent the number of overfished fisheries by 2005; i.e., to reduce the number from 86 to 64 or fewer overfished fisheries. Quantification of our performance will be based on the data included in the NOAA Fisheries Annual Report to Congress on the status of U.S. Fisheries.

Data Validation and Verification

FY 2001 Target 1 percent (or 85 overfished stocks)

FY 2001 Actual 1 percent (or 85 overfished stocks)

*FY 2002 Target N/A**

Analysis

Target was met. The Sustainable Fisheries Act (SFA) requires NOAA to report to Congress and identify those fisheries that are overfished, or are approaching a condition of being overfished. In accordance with the requirements of the SFA, the basis for the identification of overfished stocks is the current overfishing definition found in the Fishery Management Plans. These definitions have changed over the past several years. It should be noted that because of changes in the definitions, additional fishery stocks previously not categorized as overfished may be identified as such and will be addressed accordingly. However, of the original 86 overfished fisheries identified in NOAA's 1997 Fisheries Report to Congress, 13 have been removed from the overfished category and 73 remain.

Source/Verification

NOAA/ National Marine Fisheries Service (NMFS) Report to Congress: Status of Fisheries of the United States. Stock assessments and peer reviews (internal and outside the agency).

*As more research is conducted, some stocks of fish that had an unknown status are identified as either overfished or not overfished. The identification changes the baseline from which changes are measured. To eliminate the confusion regarding changing target levels for particular years due to changes in assumptions and baseline conditions, this performance measure will be discontinued in FY 2002 and replaced with the following two performance measures:

Performance Measure: (Major) Reduce the Number of Overfished Stocks of Fish by 2007: (Subordinate) Decrease the Number of Overfished Major Stocks for which Status is Known to 45 by 2007 from a 2000 Baseline of 56 Overfished Stocks out of 167 Major Stocks

The Magnuson-Stevens Sustainable Fisheries Act (SFA) of 1996 requires that overfishing be eliminated in 10 years. To allow fishing at a sustainable level, NOAA must gather considerable information about the stock size, age structure, and the physical and biological processes that control the ecosystem dynamics. This data is used to determine the size of the stock and how many fish can be safely caught.

The purpose of the major performance measure is to track a "core" group of stocks as a baseline indicator, with a subordinate measure that contributes to the key measures. This measure assesses our performance in reducing the number of fisheries that are classified as overfished. Our main goal is a substantial reduction in the number of overfished stocks from 56, identified in FY 2000, by 2007.

Data Validation and Verification

FY 2001 Target N/A

FY 2001 Actual N/A

FY 2002 Target 55

Analysis

Data is being collected now in order to report on this measure in FY 2002. Further, data collected for this measure is based on a calendar year and not fiscal year basis.

Source/Verification

NOAA/National Marine Fisheries Service (NMFS) Report to Congress: Status of Fisheries of the United States. Stock assessments and peer reviews (internal and outside the agency).

Performance Measure: By 2007, Reduce the Number of Major Stocks with an “Unknown” Stock Status to No More than 98

The NOAA Fisheries Stock Assessment Improvement Plan identifies the current status of knowledge regarding the health of each stock under NOAA Fisheries authority. In many cases the current status is unknown. This performance measure tracks the progress on improving the state of knowledge regarding the relative health of major stock as defined in the annual report to Congress on the status of stocks. By conducting stock assessments, NOAA Fisheries can reveal the potential yield of the stock relative to current yield and potential benefits forgone by overfishing, as well as specifying a target and trajectory for rebuilding the stock if overfished.

Data Validation and Verification:

FY 2001 Target N/A

FY 2001 Actual N/A

FY 2002 Target 120

Analysis

Data is being collected now in order to report on this measure in FY 2002. Further, data collected for this measure is based on a calendar year and not fiscal year basis.

Source/Verification

NOAA/ National Marine Fisheries Service (NMFS) Report to Congress: Status of Fisheries of the United States. Stock assessments and peer reviews (internal and outside the agency).

Performance Measure: By 2005, 17 Percent Increase in Economic Contribution of Aquaculture to Gross Domestic Product

Marine aquaculture can play an important role in producing fish for food, thereby reducing our dependence on wild stocks, and can offer new business and employment opportunities in coastal communities affected by reduced fishing activity. In addition to food production, aquaculture can also be used to enhance wild stock populations, assist in recovery plans for protected species, and produce nonfood products such as ornamental fish, bait-fish, and drugs and pharmaceuticals. The goal of this measure, a 17 percent increase in the economic contribution by 2005, specifically addresses economic benefits to the nation of increased aquaculture production.

Data Validation and Verification

FY 2001 Target 4 percent

*FY 2001 Actual N/A**

FY 2002 Target N/A

Analysis

At the time this measure was created, there was an explanation that sound, research-driven, federal investment in marine aquaculture research would spur private investment in aquaculture production.

NOAA's aquaculture program's focus is on research in genetics, feeds, disease, culture systems, environmental standards, and production technologies. Although these research programs are exemplary, they are not triggers for private sector investment in production facilities that would result in measurable changes in GDP.

Source/Verification

NOAA/National Marine Fisheries Service (NMFS), Bureau of Economic Analysis (BEA), U.S. Department of Agriculture. Discussions with BEA have been initiated, and a satellite account to provide aquaculture economic information may also be established.

* This performance measure will be discontinued in FY 2002 because a link between aquaculture program performance and changes in GDP cannot be established.

A rescue team responds to a Rough-Toothed Dolphin mass stranding in the Florida Panhandle.

NOAA PERFORMANCE GOAL: Recover Protected Species

NOAA's overriding objectives for recovering protected species are to prevent the extinction of protected species and to maintain the status of healthy species. We measure our performance in meeting these objectives by focusing on our ability to manage protected species through conservation programs and recovery plans, and through constant monitoring of and research into the status of species and the stresses that affect their mortality.



Performance Measure: Number of Endangered Species with Probability of Extinction Reduced from a Baseline of 29

(This performance measure was previously worded as: Reduce the Probability of Extinction of Eleven Endangered Species by FY 2007 - cumulative.)

Eleven species on a list of 29 endangered species have been identified as the most critically in danger of extinction. These 11 species include the Pacific leatherback turtle, Kemp's Ridley turtle, Hawkbill turtle, Hawaiian monk seal, Western Stellar sea lion, shortnose sturgeon and five species of Pacific salmonids. Efforts to prevent extinction will focus on identifying the factors contributing to extinction and developing and implementing recovery plans to address these factors.

Data Validation and Verification

FY 2001 Target 3

FY 2001 Actual 3

FY 2002 Target 6

Analysis Target was met.

Source/Verification NMFS Office of Protected Resources, audits, internal peer review within NOAA and external peer review by regional fishery councils, the National Science Foundation, the National Academy of Science, and other organizations.

NOAA PERFORMANCE GOAL: Sustain Healthy Coasts

NOAA has three primary objectives to sustain healthy coastal ecosystems and the communities and economies that depend on them: protect, conserve and restore coastal habitats and their biodiversity; promote clean coastal waters; and foster well-planned and revitalized coastal communities.

Performance Measure: Number of Acres of Coastal Habitat Restored (Cumulative)

This measure shows the cumulative number of acres of coastal wetlands restored through NOAA's National Marine Fisheries Service, Office of Habitat Conservation. This measure was replaced with the more outcome-oriented measure of acres benefited, which is provided below.

Apalachicola National Estuarine Research Reserve, FL; one of 25 reserves in NOAA's national system.

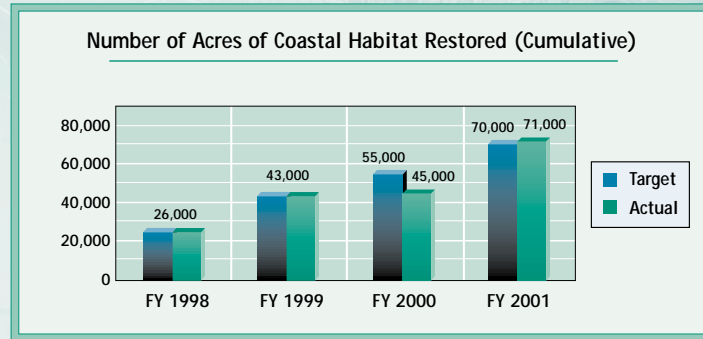


Data Validation and Verification

FY 2001 Target 70,000

FY 2001 Actual 71,000

FY 2002 Target N/A*



Analysis

Target was exceeded by less than 2 percent. This performance measure was recalibrated, establishing a new baseline in FY 2001 for actions benefiting coastal habitats that include acres restored from all relevant programs. The updated performance measure is provided below.

Source/Verification

Primary source is National Marine Fisheries Service, Office of Habitat Conservation. NMFS/Habitat Office will collect quality-controlled data to ensure that the data used to calculate performance is accurate.

* This measure will be discontinued in FY 2002, to be replaced with the following measure:

Performance Measure: Number of Acres of Coastal Habitat Benefited (Cumulative)

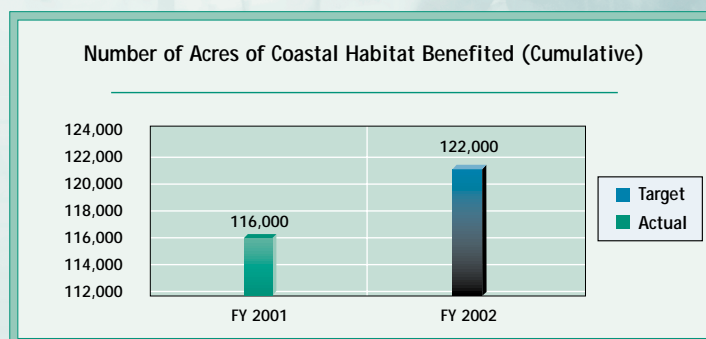
This measure shows the cumulative acres of eroding coastal wetland habitat that is benefited from all relevant programs. The measure represents the outcome of many different restoration projects, most of which are implemented by NOAA in partnership with other federal agencies, state agencies, and local groups. For a brief period, the measure was changed to “acres restored” which only includes the acreage of the actual wetlands restored.

Data Validation and Verification

FY 2001 Target N/A

FY 2001 Actual 116,000

FY 2002 Target 122,000



Analysis

The FY 2001 actual result is based on historical data. The new baseline includes acres benefited by National Marine Fisheries Service (NMFS)—sponsored projects funded under the Coastal Wetlands Planning Protection and Restoration Act (CWPPRA).

Source/Verification

Primary source is NMFS, Office of Habitat Conservation, with independent verification from the multi-federal agency CWPPRA Program and the Louisiana Department of Natural Resources.

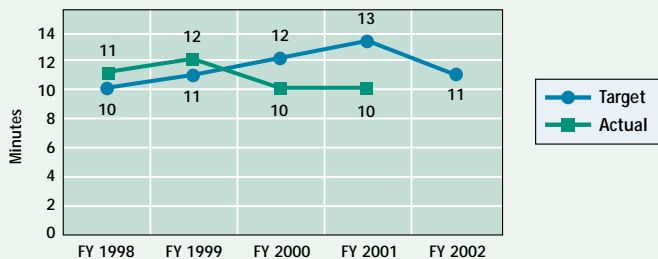
NOAA PERFORMANCE GOAL: Advance Short-Term Warnings and Forecasts

The environment has profound effects on human welfare and economic well-being. Significantly improved short-term warning and forecast products and services enhance public safety by protecting life, property, and the economic productivity of the nation. They also enhance NOAA's ability to observe, understand, and model the environment, and to effectively disseminate products and services to users.

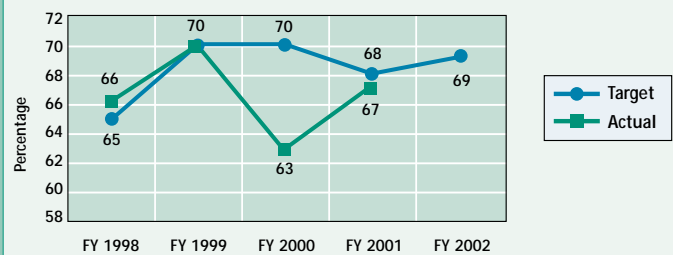
Performance Measure: Lead Time and Accuracy of Severe Weather Warnings for Tornadoes

The lead time for a tornado warning is the difference between the time the warning was issued and the time the tornado affected the area for which the warning was issued. The lead times for all tornado occurrences throughout the year are averaged to get this statistic. The accuracy of the warnings is the percentage of times a tornado actually occurred in an area that was covered by a warning.

Tornadoes - Lead Time



Tornadoes - Accuracy



Data Validation and Verification

FY 2001 Target 13 min/68 percent

FY 2001 Actual 10 min/67 percent

FY 2002 Target 11 min/69 percent

Analysis

Targets were not met for both lead time and accuracy. The tornado season had few well-organized weather systems, which resulted in fewer and weaker tornadoes. It is much more difficult to warn under these circumstances, and this difficulty is reflected in our performance results.

Source/Verification

The Performance Branch of the Office of Climate, Water, and Weather Services' Performance and Awareness Division is responsible for validation and verification. Warnings from every National Weather Service (NWS) office are received in real time and stored as files. Each NWS office delivers quality-controlled reports of severe weather events; warnings and events are matched and appropriate statistics are calculated.

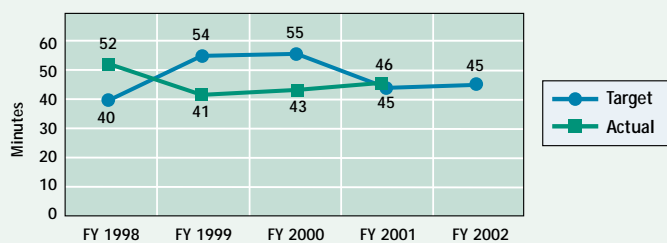


Tornado takes aim at Colby, KS.

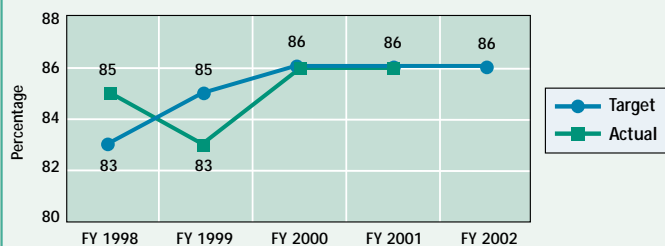
Performance Measure: Lead Time and Accuracy of Severe Weather Warnings for Flash Floods

The lead time for a flash flood warning is the difference between the time the warning was issued and the time the flash flood affected the area for which the warning was issued. The lead times for all flash flood occurrences throughout the year are averaged to get this statistic. The accuracy of the warnings is the percentage of times a flash flood actually occurred in an area that was covered by a warning.

Flash Floods - Lead Time



Flash Floods - Accuracy



Data Validation and Verification

FY 2001 Target 45 min/86 percent

FY 2001 Actual 46 min/86 percent

FY 2002 Target 45 min/86 percent

Analysis

Targets were met for both lead time and accuracy.

Source/Verification

The Performance Branch of the Office of Climate, Water, and Weather Services' Performance and Awareness Division is responsible for validation and verification. Warnings from every NWS office are received in real time and stored as files. Each NWS office delivers quality-controlled reports of severe weather events; warnings and events are matched and appropriate statistics are calculated.

Performance Measure: Lead Time (Hours) of Warnings for Hurricane

A hurricane warning is issued when hurricane force winds are expected to affect a portion of the U.S. coastline within 24 hours. Accurate advance warning of a hurricane is critical for the evacuation of vulnerable areas.

Data Validation and Verification

<i>2001 Target</i>	<i>21 hours</i>
<i>2001 Actual</i>	<i>N/A*</i>
<i>2002 Target</i>	<i>N/A*</i>

Analysis

No hurricane made landfall in the United States during the 2001 season, which runs from June 1, 2001 to November 30, 2001.

Source/Verification

The location and timing of these warnings are based upon a number of factors, including the official National Hurricane Center (NHC) track forecast. The NHC compares the time of hurricane landfall with the effective time of the warning to determine the lead time for each cyclone. The numbers are averaged over the season for the actual lead time reported.

** Since no hurricanes made landfall on the United States in both 2000 and 2001, and because over the last ten years the United States only experienced an average of 1-2 landfall hurricanes per year, NOAA decided to discontinue this performance measure in FY 2002. Further, NOAA has established a new performance measure in FY 2002 to provide a better indication of forecaster performance:*

Performance Measure: Improve Hurricane Track Forecasts (48 Hours)

Track forecasts have a significant impact on the U.S. economy. The average cost to evacuate the U.S. Atlantic coastline is approximately \$1 million per mile. Improving track forecasts can save lives and protect from unnecessary economic losses. This measures the track accuracy in nautical miles for a 48-hour hurricane forecast. Although NWS maintains statistic on 72, 48, and 24-hour hurricane track forecasts, the 48 hour hurricane track forecast was chosen because it represents the most important time frame or decision window for emergency managers and government officials to make planning decisions relating to hurricanes, including coastal evacuations.

Data Validation and Verification

2001 Target N/A

2001 Actual N/A

2002 Target 142

Analysis

A target of 142 nautical miles accuracy was set for FY 2002. The track accuracy will continue to increase with steady improvements in hurricane models, forecasting techniques (including use of ensemble forecasts), and completion of ongoing research.

Source/Verification

National Weather Service (NWS)/Tropical Prediction Center (TPC). The TPC issues track and intensity forecasts throughout the life of a hurricane. The actual track and intensity are verified through surface and aircraft measurement.

NOAA PERFORMANCE GOAL: Promote Safe Navigation

NOAA serves commercial and recreational mariners around the nation by providing these customers with nautical charts, tide and current data, and geographic positioning data for safe navigation. Geodetic services are vital to the broader mapping and surveying industry nationwide. Shoreline data and current or real-time tide information also serve the coastal resource management and oil spill/disaster response communities. NOAA continues to explore ways to modernize its services in a cost-efficient manner to meet customer needs.

Performance Measure: Percent Reduction in the Backlog (Square Nautical Miles) of Hydrographic Surveys for Critical Areas (Cumulative)

Hydrographic surveys are conducted to determine the depth and configuration of the bottoms of water bodies, especially as pertaining to navigation. Survey work includes the detection, location, and identification of wrecks, primarily through the use of sidescan and multibeam sonar technology and the Global Positioning Satellite System. This information is critically important to the production of both paper and electronic navigational charts for safe and efficient navigation. In addition to the commercial shipping industry, other user communities that benefit include recreational boaters, the commercial fishing industry, port authorities, coastal zone managers, and disaster response planners. Ships traversing our coastal waters are relying on charts based on sounding data that for many places are more than 50 years old. In 1994, NOAA identified 43,000 square nautical miles of seafloor in U.S. waters in critical need of resurvey, with more than half of this area in Alaskan waters. Many of these high-priority areas carry heavy commercial traffic, are less than 30 meters deep, and are changing constantly.

Data Validation and Verification*FY 2001 Target 27.8 percent**FY 2001 Actual 31.2 percent**FY 2002 Target 35 percent***Analysis**

Target was met and exceeded by 12 percent. The percentage increase reflects an exceptional 2001 field season for hydrographic data collection by the NOAA Ship Rainier. Because impacts such as weather, mechanical failures, and surveying level of difficulty are not constant, this increase may not be repeated or predicted in a given year.

Source/Verification

Progress reports on data collected from hydrographic survey platforms. The National Ocean Service will apply established verification and validation methods. Progress in reducing the backlog is measured against a baseline value of 43,000 square nautical miles, as determined in 1994.

NOAA PERFORMANCE GOAL: Implement Seasonal-to-Interannual Climate Forecasts

NOAA works with academic and international partners to produce one-year lead time forecasts of global climate variability, especially of the El Niño phenomenon, and of the consequent precipitation and surface temperature distributions. These forecasts increase society's ability to mitigate the economic losses and social disruption caused by such events.

Note: Performance Measure - New and Improved Data Sets Developed and Produced was discontinued in FY 2001. The following is the new measure selected by NOAA:

Performance Measure: Number of New Monitoring or Forecast Products that Become Operational Per Year

Research advances provide the potential for NOAA to significantly expand its range of climate products and services, particularly in areas of high customer demand for information and where climate variability significantly affects national interests. New products will be developed and tested through NOAA research and implemented operationally through the National Weather Service's Climate Prediction Center (CPC) or National Climatic Data Center (NCDC).

Data Validation and Verification*FY 2001 Target 4**FY 2001 Actual 4**FY 2002 Target 4***Analysis***Target was met.***Source/Verification***Climate Prediction Center (CPC) and National Climatic Data Center (NCDC). Products are reported and reviewed on a quarterly basis.***Performance Measure: U.S. Temperature – Skill Score**

Accurate measures of temperature are critical to many sectors of the national economy, including agriculture and energy utilities. This measure compares actual observed temperatures with those forecasted from areas all across the country. For those areas of the United States where a temperature forecast (i.e., warmer than normal, cooler than normal, normal) is made, this score measures how much better the prediction is than the random chance of being correct. Skill score is based on a scale of -50 to +100. If forecasters match what would be predicted by random chance, the skill score is 0. Anything above 0 shows positive skill in forecasting. Given the difficulty of making advance temperature and precipitation forecasts for specific locations, a skill score of 20 is considered quite good and means the forecast was correct in almost 50 percent of the locations forecasted. Forecasts will likely be better in El Niño years than in non-El Niño years.

Data Validation and Verification*FY 2001 Target 20**FY 2001 Actual 20**FY 2002 Target 20***Analysis***Target was met.***Source/Verification***Forecast data and observations are collected from U.S. Weather Forecast Offices (WFO) and additional observations are collected from a cooperative network maintained by volunteers across the nation. NOAA performs quality-assurance analysis of the data, including error checking, elimination of duplicates, and interstation comparison, at both the national and WFO level.*